

## **WARREN COUNTY BOARD OF SUPERVISORS**

COMMITTEE: **FINANCE**

DATE: **OCTOBER 7, 2009**

### **Committee Members Present:**

Supervisors      Stec  
                         O'Connor  
                         Bentley  
                         Taylor  
                         VanNess  
                         Kenny  
                         Merlino

### **Committee Members Absent:**

Supervisors      Belden  
                         Tessier

### **Others Present:**

Fred Monroe, Chairman of the Board  
Hal Payne, Commissioner of  
Administrative & Fiscal Services  
Joan Sady, Clerk of the Board  
Paul Dusek, County Attorney  
JoAnn McKinstry, Deputy Commissioner of  
Administrative & Fiscal Services  
Kevin Geraghty, Budget Officer  
Supervisor Champagne  
Supervisor Goodspeed  
Supervisor Pitkin  
Supervisor Simmes  
Supervisor Sokol  
Supervisor Strainer  
Supervisor Thomas  
Frank O'Keefe, County Treasurer  
Richard Murphy, Deputy Commissioner of  
Fiscal Services  
Rob Lynch, Deputy Treasurer  
Todd Lunt, Director, Human Resources  
Shane Ross, Chief Deputy  
Sheila Weaver, Commissioner, Department of  
Social Services  
Jeff Tennyson, Deputy Superintendent of  
Engineering  
Alan Walther CPA, Bonadio & Co., LLP  
Don Lehman, *The Post Star*  
Thom Randall, *The Adirondack Journal*  
Nicole Livingston, Deputy Clerk

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Mr. Stec called the meeting of the Finance Committee to order at 12:09 p.m.

Motion was made by Mr. VanNess, seconded by Mr. Kenny and carried unanimously to approve the minutes of the September 9, 2009 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the Finance Agenda were provided to the Committee members, and a copy of same is on file with the minutes.

Commencing the Agenda review, Mr. Stec stated Item 1 were the requests for Transfer of Funds which were attached for Committee approval. He noted that Supervisory

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Committee approval had been obtained as necessary.

Motion was made by Mr. VanNess, seconded by Mr. Kenny and carried unanimously to approve Item 1 as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Stec announced that Items 2A through C were referrals from the County Treasurer. Item 2A, he said, was a request for a representative from Bonadio & Co., LLP to discuss the 2008 Audit report.

Privilege of the floor was extended to Alan Walther, partner of the Bonadio Group, who referred to the Audit Report provided to the County. It was determined that the Committee members did not have copies of the aforementioned Report, and Rick Murphy, Deputy Commissioner of Fiscal Services, exited the meeting to retrieve copies of the Report for the Committee members to review.

Mr. Stec recommended that the review of the Agenda continue until Mr. Murphy returned with the Report.

Mr. Stec advised Item 2B was a request for a new contract with New World Systems for software maintenance agreement for Financial and Human Resources computer system for a lump sum amount of \$29,386 for 2009-2010; \$32,030 for 2010-2011; and \$34,914 for 2011-2012, commencing December 1, 2009 and terminating November 30, 2012.

Motion was made by Mr. VanNess, seconded by Mr. Kenny and carried unanimously to approve Item 2B as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Stec added that Item 2C was a request for a new contract with Systems East for software maintenance agreement for Tax Collection System for a lump sum amount of \$14,412, commencing January 1, 2010 and terminating December 31, 2010.

Motion was made by Mr. Taylor, seconded by Mr. Merlino and carried unanimously to approve Item 2C as outlined above. The necessary resolution was authorized for the next board meeting.

Mr. Stec reported that Items 3A through D were referrals from the Health Services Committee. Item 3A, he stated, was referred from Health Services, requesting to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$18,505 to reclassify the revenue for the Children with Special Health Care Needs as opposed to the Early Intervention revenue code.

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Motion was made by Mr. VanNess, seconded by Mr. Kenny and carried unanimously to approve Item 3A as outlined above, and the necessary resolution was authorized for the next board meeting.

Continuing, Mr. Stec expounded Items 3B through D were referred from the Westmount Health Facility. He listed the requests as follows:

- B) Amending the 2009 County budget to increase estimated revenues and appropriations in the amount of \$1,086 to amend the Interfund Transfers Revenue;
- C) Amending the 2009 County budget to increase estimated revenues and appropriations in the amount of \$25,000 to amend the Unrestricted Fund Balance; and
- D) Amending the 2009 County budget to increase estimated revenues and appropriations in the amount of \$275 to amend the Interfund Transfers Revenue.

Motion was made by Mr. Taylor, seconded by Mr. Kenny and carried unanimously to approve Items 3B through D as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec apprised Items 4A and B were referrals from the Planning & Community Development Committee. He noted that Item 4A was referred from the Planning & Community Development, requesting to establish budget code CD70 for RESTORE 2009 Program and amending the 2009 County budget to increase estimated revenues and appropriations in the amount of \$70,000 to reflect receipt of RESTORE grant funds.

Motion was made by Mr. Merlino, seconded by Mr. VanNess and carried unanimously to approve Item 4A as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. VanNess exited the meeting at 12:14 p.m.

Mr. Stec added that Item 4B was referred from the Economic Development Corporation, requesting funding in the amount of \$6,472 for expenses incurred in January 2009 prior to the Adirondack Regional Business Incubator (ARBI) ceasing operations.

Motion was made by Mr. Taylor, seconded by Mr. Merlino and carried unanimously to approve Item 4B as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec stated that Items 5A and B were referrals from the Public Safety Committee, Sheriff & Communications. He remarked that Item 5A was a request for a new contract with Myers Power Products, Inc. to service and repair Uninterrupted Power Supply Inverter, for an annual amount of \$3,000, total of \$9,000 for three years.

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Mr. Bentley entered the meeting at 12:15 p.m.

Motion was made by Mr. Kenny, seconded by Mr. Taylor and carried unanimously to approve Item 5A as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec noted that Item 5B was a request for a new contract with Verizon Business Services to lease, install and maintain Customer Premises Equipment for the County's Public Safety Answering Point (PSAP).

Mr. Stec questioned the cost for the contract and Shane Ross, Chief Deputy, replied the amount for the contract was \$4,900 a month for five years. He added that this would supply the equipment for the 911 Communications Center.

Motion was made by Mr. Bentley, seconded by Mr. Taylor and carried unanimously to approve Item 5B as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec asserted that Items 6A through D were referrals from the Public Works Committee. Item 6A, he said, was referred from Solid Waste & Recycling, requesting to amend the 2009 County budget to record the issuance of a Budget Note in the amount of \$1.3 million to reflect the increased cost of the contract at the Waste to Energy Facility.

Motion was made by Mr. Taylor, seconded by Mr. Kenny and carried unanimously to approve Item 6A as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Murphy returned to the meeting and distributed copies of the Audit Report to the Committee members, a copy of which is on file with the minutes. Mr. Stec requested Mr. Walther to continue with the review of the Audit Report. Mr. Walther directed the Committee members to the report entitled "Other Internal Control Matters", and explained that this was what they referred to as the Management Letter which included the Bonadio Groups comments concerning findings during the Audit. He noted that these included the lowest level of internal control comments that they issued. He asserted that they did have a comment with regard to the Sheriff's Office payroll and benefit approval process. Mr. Walther acknowledged that the Sheriff had disagreed with the comments and had issued a written response to the Bonadio Group. Another comment they had, he said, concerned the Fiscal Management and use of the Fund Balance. He stated that there had been a steady decline in the General Fund Balance, currently declining to \$5.8 million for this years audit (2008), as compared to \$8.6 million and \$11.1 million at the end of 2007 and 2006 respectively.

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Chairman Monroe questioned the amount of the Fund Balance that Mr. Walther reported and noted that the figure was not consistent with the information the Supervisors had received. Mr. Walther suggested that they review that portion in detail when they reviewed the Financial Statements later in the Report.

Mr. Walther apprised that the third comment made by Bonadio Group pertained to a written Disaster Recovery Plan regarding financial systems which was currently not in place.

During discussion, the fire alarm went off and the Committee exited the building at 12:22 p.m. and reconvened at 12:30 p.m.

Upon reconvening, Mr. Walther resumed the review of the Audit Report. Frank O'Keefe, County Treasurer, requested Mr. Walther to discuss the Fund Balance at this time. Mr. Walther directed the Committee members to page 11 of the Report. He noted that the total equity listed was \$5,754,783 which was the total Fund Balance as of December 31, 2008. He explained that the total Fund Balance was broken into two pieces, the Reserve piece totaling \$1,397,943 and the Unreserved piece totaling \$4,356,840 of which \$2,320,000 was originally used to balance the 2009 budget. He added that \$2,036,840 was the total of the un-designated funds. Mr. Walther continued the review of the Report. He recommended that the Committee members read pages 1 through 8 at their convenience which contained the management discussions analysis and provided the financial highlights and an overview of the results of the County's activities for the year.

Mr. Stec thanked Mr. Walther and the Bonadio Group for taking the time to review the Audit Report with the Committee members.

Returning to the Agenda review, Mr. Stec advised Items 6B through D were referred from DPW. He noted that Item 6B was a request to amend Resolution No. 618 of 2009, Increasing Capital Reserve Project No. H236.9550 280-Construction of Starbuckville & Chester Creek Bridges; Authorizing Transfer of Funds and Amending Warren County Budget for 2009, to correct the amount of the total cost of the project.

Motion was made by Mr. Bentley, seconded by Mr. Merlino and carried unanimously to approve Item 6B as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec said Item 6C was a request to authorize County-owned property, Tax Map Parcel No. 53.-3-10, located in the Town of Horicon, to be added to the County Land Auction.

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Motion was made by Mr. Bentley, seconded by Mr. Merlino and carried unanimously to approve Item 6C as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec noted that Item 6D was a request to authorize the issuance of a Quit Claim Deed to LJDJ Enterprises, portion of Tax Map Parcel No. 139-1-7, located in the Town of Bolton.

Motion was made by Mr. Bentley, seconded by Mr. Merlino and carried unanimously to approve Item 6D as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec reported that Item 7 was a referral from the Real Property Tax Services Committee, requesting to authorize the conveyance of County-owned property, Tax Map Parcel No. 210.2-1-5.2 located in the Town of Warrensburg, to Adirondack Equipment Rental, LLC, for an amount of \$3,500.

Motion was made by Mr. Merlino, seconded by Mr. Bentley and carried unanimously to approve Item 7 as outlined above, and the necessary resolution was authorized for the next board meeting.

Mr. Stec commented that Item 8 was a referral from the Social Services Committee, requesting to amend the 2009 County budget to increase estimated revenues and appropriations in the amount of \$277,150 to reflect receipt of State and Federal Aid.

Motion was made by Mr. Kenny, seconded by Mr. Merlino and carried unanimously to approve Item 8 as outlined above, and the necessary resolution was authorized for the next board meeting.

Concluding the Agenda review, Mr. Stec advised Item 9 was the request for Finance Committee action which was required on the following items that were approved by the Personnel Committee: Items 2A, 2C, 2E, 2G, 2I, 2K, 2M, 2O, 2Q and 2S, as well as the positions to be abolished in various departments as approved by the Budget Committee and the Personnel Committee.

Motion was made by Mr. Kenny, seconded by Mr. Merlino and carried unanimously to approve Item 9 as outlined above, and the necessary resolution was authorized for the next board meeting.

Prior to adjourning, Paul Dusek, County Attorney, requested permission to address the Committee concerning two items. The first, he said, required a resolution to authorize the issuance of a Serial Bond for an amount not to exceed \$14 million for the Corinth Road Project. He reminded the Committee that last month, a resolution of intent was

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passed and it was time to do the formal bond resolution. He added that this provided the funding for the project until the reimbursements were received from the State and Federal governments.

Motion was made by Mr. Taylor, seconded by Mr. Bentley and carried unanimously to authorize the issuance of a Serial Bond for an amount not to exceed \$14 million for the Corinth Road Project. The necessary resolution was authorized for the next board meeting.

Mr. Dusek asserted the next item for discussion pertained to the option of video conferencing to assist in reducing transportation costs. He announced that the law did allow for Supervisors to attend meetings through video conferencing. In order to accomplish this, he continued, it would require an amendment of the Rules of the Board outlined in Resolution No. 1 of 2009. He stated that it would also be necessary to have the appropriate equipment and technology in place. He noted that other components to accomplish this would be to have a location where the general public could attend, and such locations would have to meet building requirements and compliance codes and special notice would have to be provided to the general public advising of the locations. Mr. Dusek concluded it would be possible to hold video conferencing meetings.

Mr. Merlino requested to discuss another issue, an increase in sales tax. He remarked that he had researched and prepared information pertaining to an increase in sales tax and the impacts such could have. He referred to the County's current debt of \$23 million in bonds, with a payment of approximately less than \$4 million per year, which would be included in the 2010 budget. He expressed his opinion that if the proper analysis for a 1% sales tax increase was compiled, he believed there would be support for it. Mr. Merlino apprised that out of the sixty-two counties in New York State, there were only four other counties that had a 7% sales tax, thirty-two counties had an 8% sales tax and others had a higher tax. He said a 1% increase in sales tax could generate up to \$14 million and he proposed a number of different options as to how that revenue could be utilized.

Discussion ensued.

Mr. Goodspeed commented that actual fact-based, non-interest group information had not been provided to the public concerning a sales tax increase. He agreed that the proposed increase could garner support if people had accurate information on it. He added that the County had been in crisis management for ten months and it was time to move towards long range planning. One way to move towards long range planning, he continued, was to seriously consider a potential increase in sales tax. Mr. Goodspeed said if the County had the opportunity to use the sales tax to reduce debt service and reduce and stabilize real property taxes, it should be pursued. He advised

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that the savings to property owners could be 1% to 2% of their annual income. He noted that he did not feel that the citizens of the County had been accurately informed as to how this increase could substantially reduce property taxes. He acknowledged that it would not be a solution for this year; however, he said, it may be part of the answer for the long range future of the County.

There being no further business to come before the Committee, on motion made by Mr. Taylor and seconded by Mr. Merlino, Mr. Stec adjourned the meeting at 1:10 p.m.

Respectfully submitted,

Nicole Livingston, Deputy Clerk